

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 17, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
TARIFF TO OFFER CONTRACT SERVICE
ARRANGEMENT (TN 00-1856-00)**

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**DOCKET NO.
00-00402**

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 00-1856-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on June 20, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 00-1856-00 ("CSA"). BellSouth filed Tariff No. 00-00402 on May 22, 2000, with a proposed effective date of June 21, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority finds and concludes:

1. The purpose of this CSA is to provide the customer with a waiver of non-recurring charges and a ten percent (10%) discount off monthly recurring rates for Flat Rate Business Line Service.
2. The term of this CSA is twenty-four (24) months.

3. If the customer terminates the agreement prior to the expiration of the CSA, the termination provisions require the customer pay the contract preparation fees of \$323.00.¹

4. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

5. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

6. No parties sought to intervene in this docket.

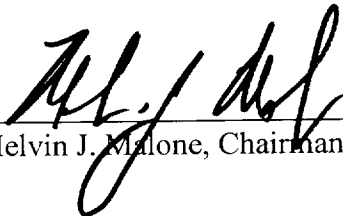
Based upon the foregoing, the Directors unanimously determined that, in this docket, the CSA should be granted.²

¹ On June 14, 2000, the Authority sent BellSouth a data request asking BellSouth to clarify the termination provisions prior to the June 20, 2000 Authority Conference. Although BellSouth had not submitted a written response to the data request, during the Conference, BellSouth explained that the only applicable termination provision was the contract preparation fee of \$323.00 because there are no underlying tariff termination provisions for Flat Rate Business Line Service. Further, BellSouth stated that it would file a written response to the data request that same day. BellSouth filed its written response confirming its representations on June 20, 2000.

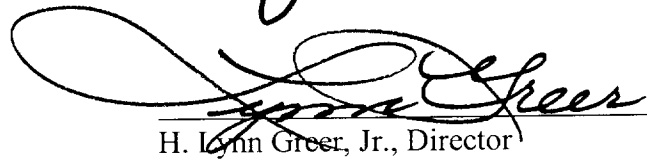
² Chairman Malone distinguished this CSA from other specific service CSAs he had voted to deny by recognizing that this CSA does not contain a buy-out provision.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 00-00402, which seeks approval of Contract Service Arrangement No. TN 00-1856-00, is hereby granted.



Melvin J. Malone, Chairman




H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary